

(i) If the borrower has an option that would extend the maturity, the national bank or Federal savings association must assume that the borrower will exercise the option to extend the maturity to the latest possible date;

(ii) If the borrower has an option that would reduce the maturity, the national bank or Federal savings association must assume that the borrower will not exercise the option to reduce the maturity;

(iii) If the national bank or Federal savings association has an option that would reduce the maturity of an instrument or transaction, the national bank or Federal savings association must assume the national bank or Federal savings association will not exercise the option to reduce the maturity;

(iv) If the national bank or Federal savings association has an option that would extend the maturity of an instrument or transaction, the national bank or Federal savings association must assume the national bank or Federal savings association will exercise the option to extend the maturity to the latest possible date; and

(v) If an option is subject to a contractually defined notice period, the national bank or Federal savings association must determine the latest possible contractual maturity date based on the borrower using the entire notice period.

(3) With respect to a transaction subject to § 50.33(f)(1)(iii) through (vii) (secured lending transactions) or § 50.33(f)(2)(ii) through (x) (asset exchanges), to the extent the transaction is secured by collateral that has been pledged in connection with either a secured funding transaction or asset exchange that has a remaining maturity of 30 calendar days or less as of the calculation date, the maturity date is the later of the maturity date determined under paragraph (a)(2) of this section for the secured lending transaction or asset exchange or the maturity date determined under paragraph (a)(1) of this section for the secured funding transaction or asset exchange for which the collateral has been pledged.

(4) With respect to a transaction that has no maturity date, is not an operational deposit, and is subject to the provisions of § 50.32(h)(2), (h)(5), (j), or

(k) or § 50.33(d) or (f), the maturity date is the first calendar day after the calculation date. Any other transaction that has no maturity date and is subject to the provisions of § 50.32 must be considered to mature within 30 calendar days of the calculation date.

(5) With respect to a transaction subject to the provisions of § 50.33(g), on the date of the next scheduled calculation of the amount required under applicable legal requirements for the protection of customer assets with respect to each broker-dealer segregated account, in accordance with the national bank's or Federal savings association's normal frequency of recalculating such requirements.

(b) [Reserved]

#### § 50.32 Outflow amounts.

(a) *Retail funding outflow amount.* A national bank's or Federal savings association's retail funding outflow amount as of the calculation date includes (regardless of maturity or collateralization):

(1) 3 percent of all stable retail deposits held at the national bank or Federal savings association;

(2) 10 percent of all other retail deposits held at the national bank or Federal savings association;

(3) 20 percent of all deposits placed at the national bank or Federal savings association by a third party on behalf of a retail customer or counterparty that are not brokered deposits, where the retail customer or counterparty owns the account and the entire amount is covered by deposit insurance;

(4) 40 percent of all deposits placed at the national bank or Federal savings association by a third party on behalf of a retail customer or counterparty that are not brokered deposits, where the retail customer or counterparty owns the account and where less than the entire amount is covered by deposit insurance; and

(5) 40 percent of all funding from a retail customer or counterparty that is not:

(i) A retail deposit;

(ii) A brokered deposit provided by a retail customer or counterparty; or

(iii) A debt instrument issued by the national bank or Federal savings association that is owned by a retail customer or counterparty (see paragraph (h)(2)(ii) of this section).

(b) *Structured transaction outflow amount.* If the national bank or Federal savings association is a sponsor of a structured transaction where the issuing entity is not consolidated on the national bank's or Federal savings association's balance sheet under GAAP, the structured transaction outflow amount for each such structured transaction as of the calculation date is the greater of:

(1) 100 percent of the amount of all debt obligations of the issuing entity that mature 30 calendar days or less from such calculation date and all commitments made by the issuing entity to purchase assets within 30 calendar days or less from such calculation date; and

(2) The maximum contractual amount of funding the national bank or Federal savings association may be required to provide to the issuing entity 30 calendar days or less from such calculation date through a liquidity facility, a return or repurchase of assets from the issuing entity, or other funding agreement.

(c) *Net derivative cash outflow amount.* The net derivative cash outflow amount as of the calculation date is the sum of the net derivative cash outflow amount for each counterparty. The net derivative cash outflow amount does not include forward sales of mortgage loans and any derivatives that are mortgage commitments subject to paragraph (d) of this section. The net derivative cash outflow amount for a counterparty is the sum of:

(1) The amount, if greater than zero, of contractual payments and collateral that the national bank or Federal savings association will make or deliver to the counterparty 30 calendar days or less from the calculation date under derivative transactions other than transactions described in paragraph (c)(2) of this section, less the contractual payments and collateral that the national bank or Federal savings association will receive from the counterparty 30 calendar days or less

from the calculation date under derivative transactions other than transactions described in paragraph (c)(2) of this section, provided that the derivative transactions are subject to a qualifying master netting agreement; and

(2) The amount, if greater than zero, of contractual principal payments that the national bank or Federal savings association will make to the counterparty 30 calendar days or less from the calculation date under foreign currency exchange derivative transactions that result in the full exchange of contractual cash principal payments in different currencies within the same business day, less the contractual principal payments that the national bank or Federal savings association will receive from the counterparty 30 calendar days or less from the calculation date under foreign currency exchange derivative transactions that result in the full exchange of contractual cash principal payments in different currencies within the same business day.

(d) *Mortgage commitment outflow amount.* The mortgage commitment outflow amount as of a calculation date is 10 percent of the amount of funds the national bank or Federal savings association has contractually committed for its own origination of retail mortgages that can be drawn upon 30 calendar days or less from such calculation date.

(e) *Commitment outflow amount.* (1) A national bank's or Federal savings association's commitment outflow amount as of the calculation date includes:

(i) Zero percent of the undrawn amount of all committed credit and liquidity facilities extended by a national bank or Federal savings association that is a depository institution to an affiliated depository institution that is subject to a minimum liquidity standard under this part;

(ii) 5 percent of the undrawn amount of all committed credit and liquidity facilities extended by the national bank or Federal savings association to retail customers or counterparties;

(iii) 10 percent of the undrawn amount of all committed credit facilities extended by the national bank or Federal savings association to a wholesale customer or counterparty that is

not a financial sector entity or a consolidated subsidiary thereof, including a special purpose entity (other than those described in paragraph (e)(1)(viii) of this section) that is a consolidated subsidiary of such wholesale customer or counterparty;

(iv) 30 percent of the undrawn amount of all committed liquidity facilities extended by the national bank or Federal savings association to a wholesale customer or counterparty that is not a financial sector entity or a consolidated subsidiary thereof, including a special purpose entity (other than those described in paragraph (e)(1)(viii) of this section) that is a consolidated subsidiary of such wholesale customer or counterparty;

(v) 50 percent of the undrawn amount of all committed credit and liquidity facilities extended by the national bank or Federal savings association to depository institutions, depository institution holding companies, and foreign banks, but excluding commitments described in paragraph (e)(1)(i) of this section;

(vi) 40 percent of the undrawn amount of all committed credit facilities extended by the national bank or Federal savings association to a financial sector entity or a consolidated subsidiary thereof, including a special purpose entity (other than those described in paragraph (e)(1)(viii) of this section) that is a consolidated subsidiary of a financial sector entity, but excluding other commitments described in paragraph (e)(1)(i) or (v) of this section;

(vii) 100 percent of the undrawn amount of all committed liquidity facilities extended by the national bank or Federal savings association to a financial sector entity or a consolidated subsidiary thereof, including a special purpose entity (other than those described in paragraph (e)(1)(viii) of this section) that is a consolidated subsidiary of a financial sector entity, but excluding other commitments described in paragraph (e)(1)(i) or (v) of this section and liquidity facilities included in paragraph (b)(2) of this section;

(viii) 100 percent of the undrawn amount of all committed credit and liquidity facilities extended to a special

purpose entity that issues or has issued commercial paper or securities (other than equity securities issued to a company of which the special purpose entity is a consolidated subsidiary) to finance its purchases or operations, and excluding liquidity facilities included in paragraph (b)(2) of this section; and

(ix) 100 percent of the undrawn amount of all other committed credit or liquidity facilities extended by the national bank or Federal savings association.

(2) For the purposes of this paragraph (e), the undrawn amount of a committed credit facility or committed liquidity facility is the entire unused amount of the facility that could be drawn upon within 30 calendar days of the calculation date under the governing agreement, less the amount of level 1 liquid assets and the amount of level 2A liquid assets securing the facility.

(3) For the purposes of this paragraph (e), the amount of level 1 liquid assets and level 2A liquid assets securing a committed credit or liquidity facility is the fair value of level 1 liquid assets and 85 percent of the fair value of level 2A liquid assets that are required to be pledged as collateral by the counterparty to secure the facility, provided that:

(i) The assets pledged upon a draw on the facility would be eligible HQLA; and

(ii) The national bank or Federal savings association has not included the assets as eligible HQLA under subpart C of this part as of the calculation date.

(f) *Collateral outflow amount.* The collateral outflow amount as of the calculation date includes:

(1) *Changes in financial condition.* 100 percent of all additional amounts of collateral the national bank or Federal savings association could be contractually required to pledge or to fund under the terms of any transaction as a result of a change in the national bank's or Federal savings association's financial condition;

(2) *Derivative collateral potential valuation changes.* 20 percent of the fair value of any collateral securing a derivative transaction pledged to a counterparty by the national bank or

Federal savings association that is not a level 1 liquid asset;

(3) *Potential derivative valuation changes.* The absolute value of the largest 30-consecutive calendar day cumulative net mark-to-market collateral outflow or inflow realized during the preceding 24 months resulting from derivative transaction valuation changes;

(4) *Excess collateral.* 100 percent of the fair value of collateral that:

(i) The national bank or Federal savings association could be required by contract to return to a counterparty because the collateral pledged to the national bank or Federal savings association exceeds the current collateral requirement of the counterparty under the governing contract;

(ii) Is not segregated from the national bank's or Federal savings association's other assets such that it cannot be rehypothecated; and

(iii) Is not already excluded as eligible HQLA by the national bank or Federal savings association under § 50.22(b)(5);

(5) *Contractually required collateral.* 100 percent of the fair value of collateral that the national bank or Federal savings association is contractually required to pledge to a counterparty and, as of such calculation date, the national bank or Federal savings association has not yet pledged;

(6) *Collateral substitution.* (i) Zero percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 1 liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with other assets that qualify as level 1 liquid assets, without the consent of the national bank or Federal savings association;

(ii) 15 percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty, where the collateral qualifies as level 1 liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with assets that qualify as level 2A liquid assets, without the con-

sent of the national bank or Federal savings association;

(iii) 50 percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 1 liquid assets and eligible HQLA and where under, the contract governing the transaction, the counterparty may replace the pledged collateral with assets that qualify as level 2B liquid assets, without the consent of the national bank or Federal savings association;

(iv) 100 percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 1 liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with assets that do not qualify as HQLA, without the consent of the national bank or Federal savings association;

(v) Zero percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 2A liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with assets that qualify as level 1 or level 2A liquid assets, without the consent of the national bank or Federal savings association;

(vi) 35 percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 2A liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with assets that qualify as level 2B liquid assets, without the consent of the national bank or Federal savings association;

(vii) 85 percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 2A liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the

pledged collateral with assets that do not qualify as HQLA, without the consent of the national bank or Federal savings association;

(viii) Zero percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 2B liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with other assets that qualify as HQLA, without the consent of the national bank or Federal savings association; and

(ix) 50 percent of the fair value of collateral pledged to the national bank or Federal savings association by a counterparty where the collateral qualifies as level 2B liquid assets and eligible HQLA and where, under the contract governing the transaction, the counterparty may replace the pledged collateral with assets that do not qualify as HQLA, without the consent of the national bank or Federal savings association.

(g) *Brokered deposit outflow amount for retail customers or counterparties.* The brokered deposit outflow amount for retail customers or counterparties as of the calculation date includes:

(1) 100 percent of all brokered deposits at the national bank or Federal savings association provided by a retail customer or counterparty that are not described in paragraphs (g)(5) through (9) of this section and which mature 30 calendar days or less from the calculation date;

(2) 10 percent of all brokered deposits at the national bank or Federal savings association provided by a retail customer or counterparty that are not described in paragraphs (g)(5) through (9) of this section and which mature later than 30 calendar days from the calculation date;

(3) 20 percent of all brokered deposits at the national bank or Federal savings association provided by a retail customer or counterparty that are not described in paragraphs (g)(5) through (9) of this section and which are held in a transactional account with no contractual maturity date, where the entire amount is covered by deposit insurance;

(4) 40 percent of all brokered deposits at the national bank or Federal savings association provided by a retail customer or counterparty that are not described in paragraphs (g)(5) through (9) of this section and which are held in a transactional account with no contractual maturity date, where less than the entire amount is covered by deposit insurance;

(5) 10 percent of all reciprocal brokered deposits at the national bank or Federal savings association provided by a retail customer or counterparty, where the entire amount is covered by deposit insurance;

(6) 25 percent of all reciprocal brokered deposits at the national bank or Federal savings association provided by a retail customer or counterparty, where less than the entire amount is covered by deposit insurance;

(7) 10 percent of all brokered sweep deposits at the national bank or Federal savings association provided by a retail customer or counterparty:

(i) That are deposited in accordance with a contract between the retail customer or counterparty and the national bank or Federal savings association, a controlled subsidiary of the national bank or Federal savings association, or a company that is a controlled subsidiary of the same top-tier company of which the national bank or Federal savings association is a controlled subsidiary; and

(ii) Where the entire amount of the deposits is covered by deposit insurance;

(8) 25 percent of all brokered sweep deposits at the national bank or Federal savings association provided by a retail customer or counterparty:

(i) That are not deposited in accordance with a contract between the retail customer or counterparty and the national bank or Federal savings association, a controlled subsidiary of the national bank or Federal savings association, or a company that is a controlled subsidiary of the same top-tier company of which the national bank or Federal savings association is a controlled subsidiary; and

(ii) Where the entire amount of the deposits is covered by deposit insurance; and

(9) 40 percent of all brokered sweep deposits at the national bank or Federal savings association provided by a retail customer or counterparty where less than the entire amount of the deposit balance is covered by deposit insurance.

(h) *Unsecured wholesale funding outflow amount.* A national bank's or Federal savings association's unsecured wholesale funding outflow amount, for all transactions that mature within 30 calendar days or less of the calculation date, as of the calculation date includes:

(1) For unsecured wholesale funding that is not an operational deposit and is not provided by a financial sector entity or consolidated subsidiary of a financial sector entity:

(i) 20 percent of all such funding, where the entire amount is covered by deposit insurance and the funding is not a brokered deposit;

(ii) 40 percent of all such funding, where:

(A) Less than the entire amount is covered by deposit insurance; or

(B) The funding is a brokered deposit;

(2) 100 percent of all unsecured wholesale funding that is not an operational deposit and is not included in paragraph (h)(1) of this section, including:

(i) Funding provided by a company that is a consolidated subsidiary of the same top-tier company of which the national bank or Federal savings association is a consolidated subsidiary; and

(ii) Debt instruments issued by the national bank or Federal savings association, including such instruments owned by retail customers or counterparties;

(3) 5 percent of all operational deposits, other than operational deposits that are held in escrow accounts, where the entire deposit amount is covered by deposit insurance;

(4) 25 percent of all operational deposits not included in paragraph (h)(3) of this section; and

(5) 100 percent of all unsecured wholesale funding that is not otherwise described in this paragraph (h).

(i) *Debt security buyback outflow amount.* A national bank's or Federal savings association's debt security buyback outflow amount for debt secu-

rities issued by the national bank or Federal savings association that mature more than 30 calendar days after the calculation date and for which the national bank or Federal savings association or a consolidated subsidiary of the national bank or Federal savings association is the primary market maker in such debt securities includes:

(1) 3 percent of all such debt securities that are not structured securities; and

(2) 5 percent of all such debt securities that are structured securities.

(j) *Secured funding and asset exchange outflow amount.* (1) A national bank's or Federal savings association's secured funding outflow amount, for all transactions that mature within 30 calendar days or less of the calculation date, as of the calculation date includes:

(i) Zero percent of all funds the national bank or Federal savings association must pay pursuant to secured funding transactions, to the extent that the funds are secured by level 1 liquid assets;

(ii) 15 percent of all funds the national bank or Federal savings association must pay pursuant to secured funding transactions, to the extent that the funds are secured by level 2A liquid assets;

(iii) 25 percent of all funds the national bank or Federal savings association must pay pursuant to secured funding transactions with sovereign entities, multilateral development banks, or U.S. government-sponsored enterprises that are assigned a risk weight of 20 percent under subpart D of (12 CFR part 3), to the extent that the funds are not secured by level 1 or level 2A liquid assets;

(iv) 50 percent of all funds the national bank or Federal savings association must pay pursuant to secured funding transactions, to the extent that the funds are secured by level 2B liquid assets;

(v) 50 percent of all funds received from secured funding transactions that are customer short positions where the customer short positions are covered by other customers' collateral and the collateral does not consist of HQLA; and

(vi) 100 percent of all other funds the national bank or Federal savings association must pay pursuant to secured funding transactions, to the extent that the funds are secured by assets that are not HQLA.

(2) If an outflow rate specified in paragraph (j)(1) of this section for a secured funding transaction is greater than the outflow rate that the national bank or Federal savings association is required to apply under paragraph (h) of this section to an unsecured wholesale funding transaction that is not an operational deposit with the same counterparty, the national bank or Federal savings association may apply to the secured funding transaction the outflow rate that applies to an unsecured wholesale funding transaction that is not an operational deposit with that counterparty, except in the case of:

(i) Secured funding transactions that are secured by collateral that was received by the national bank or Federal savings association under a secured lending transaction or asset exchange, in which case the national bank or Federal savings association must apply the outflow rate specified in paragraph (j)(1) of this section for the secured funding transaction; and

(ii) Collateralized deposits that are operational deposits, in which case the national bank or Federal savings association may apply to the operational deposit amount, as calculated in accordance with § 50.4(b), the operational deposit outflow rate specified in paragraph (h)(3) or (4) of this section, as applicable, if such outflow rate is lower than the outflow rate specified in paragraph (j)(1) of this section.

(3) A national bank's or Federal savings association's asset exchange outflow amount, for all transactions that mature within 30 calendar days or less of the calculation date, as of the calculation date includes:

(i) Zero percent of the fair value of the level 1 liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will re-

ceive level 1 liquid assets from the asset exchange counterparty;

(ii) 15 percent of the fair value of the level 1 liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will receive level 2A liquid assets from the asset exchange counterparty;

(iii) 50 percent of the fair value of the level 1 liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will receive level 2B liquid assets from the asset exchange counterparty;

(iv) 100 percent of the fair value of the level 1 liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will receive assets that are not HQLA from the asset exchange counterparty;

(v) Zero percent of the fair value of the level 2A liquid assets that national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where national bank or Federal savings association will receive level 1 or level 2A liquid assets from the asset exchange counterparty;

(vi) 35 percent of the fair value of the level 2A liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will receive level 2B liquid assets from the asset exchange counterparty;

(vii) 85 percent of the fair value of the level 2A liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank

or Federal savings association will receive assets that are not HQLA from the asset exchange counterparty;

(viii) Zero percent of the fair value of the level 2B liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will receive HQLA from the asset exchange counterparty; and

(ix) 50 percent of the fair value of the level 2B liquid assets the national bank or Federal savings association must post to a counterparty pursuant to asset exchanges, not described in paragraphs (j)(3)(x) through (xiii) of this section, where the national bank or Federal savings association will receive assets that are not HQLA from the asset exchange counterparty;

(x) Zero percent of the fair value of the level 1 liquid assets the national bank or Federal savings association will receive from a counterparty pursuant to an asset exchange where the national bank or Federal savings association has rehypothecated the assets posted by the asset exchange counterparty, and, as of the calculation date, the assets will not be returned to the national bank or Federal savings association within 30 calendar days;

(xi) 15 percent of the fair value of the level 2A liquid assets the national bank or Federal savings association will receive from a counterparty pursuant to an asset exchange where the national bank or Federal savings association has rehypothecated the assets posted by the asset exchange counterparty, and, as of the calculation date, the assets will not be returned to the national bank or Federal savings association within 30 calendar days;

(xii) 50 percent of the fair value of the level 2B liquid assets the national bank or Federal savings association will receive from a counterparty pursuant to an asset exchange where the national bank or Federal savings association has rehypothecated the assets posted by the asset exchange counterparty, and, as of the calculation date, the assets will not be returned to the national bank or Federal

savings association within 30 calendar days; and

(xiii) 100 percent of the fair value of the non-HQLA the national bank or Federal savings association will receive from a counterparty pursuant to an asset exchange where the national bank or Federal savings association has rehypothecated the assets posted by the asset exchange counterparty, and, as of the calculation date, the assets will not be returned to the national bank or Federal savings association within 30 calendar days.

(k) *Foreign central bank borrowing outflow amount.* A national bank's or Federal savings association's foreign central bank borrowing outflow amount is, in a foreign jurisdiction where the national bank or Federal savings association has borrowed from the jurisdiction's central bank, the outflow amount assigned to borrowings from central banks in a minimum liquidity standard established in that jurisdiction. If the foreign jurisdiction has not specified a central bank borrowing outflow amount in a minimum liquidity standard, the foreign central bank borrowing outflow amount must be calculated in accordance with paragraph (j) of this section.

(l) *Other contractual outflow amount.* A national bank's or Federal savings association's other contractual outflow amount is 100 percent of funding or amounts, with the exception of operating expenses of the national bank or Federal savings association (such as rents, salaries, utilities, and other similar payments), payable by the national bank or Federal savings association to counterparties under legally binding agreements that are not otherwise specified in this section.

(m) *Excluded amounts for intragroup transactions.* The outflow amounts set forth in this section do not include amounts arising out of transactions between:

(1) The national bank or Federal savings association and a consolidated subsidiary of the national bank or Federal savings association; or

(2) A consolidated subsidiary of the national bank or Federal savings association and another consolidated subsidiary of the national bank or Federal savings association.